

IN THE CIRCUIT COURT OF THE SEVENTH JUDICIAL CIRCUIT  
SANGAMON COUNTY, ILLINOIS

ROGER KANERVA, et al., on behalf of a Class	)	
of Persons Similarly Situated,	)	Sangamon County No. 2012-
	)	MR-582 and 2013-MR-408
Plaintiffs,	)	consolidated with
-vs-	)	Sangamon Co. No. 2012-
	)	L-162; Randolph Co. No.
MALCOLM WEEMS, Director of the Illinois	)	2012-L-35; and Madison Co.
Dept. of Central Management Services; et al.,	)	No. 2012-L-987
	)	
Defendants.	)	

**NOTICE OF PENDENCY OF CLASS ACTION REGARDING HEALTH INSURANCE PREMIUMS CHARGED TO MEMBERS OF ILLINOIS RETIREMENT SYSTEMS, PROPOSED REFUND OF PREMIUMS, AND RIGHT TO BE EXCLUDED FROM CLASS OR TO OBJECT TO CLASS ATTORNEYS' FEE REQUEST**

**Summary of Notice**

This notice was approved by the Court in this matter and is being sent to you as a member of a class of individuals affected by lawsuits contesting health insurance premiums withheld from annuities of members of state-funded pension systems as a result of Public Act 97-695 (the "Act") and regulations adopted pursuant to the Act (hereinafter "Premiums"). You are receiving this notice at your address according to the records of the relevant State retirement system.

This notice affects your legal rights in connection with those lawsuits, which were combined and certified as a class action. The Court prohibited enforcement of the Act and 80 Ill. Admin. Code § 2200.520, a regulation implementing the Act (the "Regulation"), and is now in the process of (1) determining the amount of any fees and expenses to be awarded to the attorneys representing class members, and (2) ordering net refunds of Premiums to individual class members.

You do not need to take any action in response to this notice. You may, however, exercise either of the following rights (but not both) no later than March 11, 2015. First, you have the right to be excluded from the class, in which event you are not guaranteed to receive any refund of your Premiums and will have to file your own lawsuit to seek such a refund. A form for you to use if you choose to exercise this right by the March 11, 2015 deadline is enclosed. Second, if you do not elect to be excluded from the class, you have the right to object to the amount of attorneys' fees requested by the lawyers for members of the class, which will be deducted from the class members' Premiums before refunds are issued. Important additional details regarding both rights are set out below.

**Description of the Lawsuits, the Class, Proposed Refunds, and Rights to Be Excluded from the Class, to Object to the Fee Request by Attorneys for Class Members, or Do Neither**

This Notice relates to a class action pending in the Circuit Court of Sangamon County, Illinois, involving five separate lawsuits that challenged the Premiums withheld pursuant to the Act and the Regulation from the annuities paid to certain annuitants and survivors of five retirement systems of the State of Illinois: the State Employees' Retirement System ("SERS"), the State Universities Retirement System ("SURS"), the General Assembly Retirement System, the Judicial Retirement System, and the Teachers' Retirement System (collectively, the "Systems").

These cases have been consolidated together in the Sangamon County Circuit Court and are referred to in this Notice as the "Consolidated Cases." The individuals who filed the cases, called "Plaintiffs," include some annuitants and survivors of the Systems. The persons and entities who were sued, called "Defendants," include the Director of the Illinois Department of Central Management Services ("CMS") and other State officers and agencies. Each of the Consolidated Cases contested the validity of the Act and the Premiums charged by CMS and withheld by the Systems from their retired members' annuities pursuant to the Act and the Regulation. Following an opinion by the Illinois Supreme Court (Kanerva v. Weems, 2014 IL 115811), the Circuit Court on November 21, 2014, entered orders prohibiting enforcement of the Act and the Regulation and approving, or "certifying", the following class of individuals subject to further proceedings in the Consolidated Cases:

*All annuitants and survivors of the State Employee Retirement System, the General Assembly Retirement System, the Judicial Retirement System, the Teachers' Retirement System, and the State Universities Retirement System, who participate in the state health insurance program administered by the Department of Central Management Services, and who have had withheld from their pension payments additional health insurance premiums pursuant to P.A. 97-695 and 80 Ill. Admin. Code 2200.520.*

In accordance with a further order entered on December 22, 2014, the Court is now in the process of determining the amount of fees and expenses to be awarded to the attorneys who brought the Consolidated Cases and then ordering refunds of Premiums to individual class members after deducting those fees and expenses.

The attorneys who brought the Consolidated Cases have filed a Petition for Attorneys' Fees and reimbursement of expenses seeking an award from the Premiums withheld by the Defendants, with the remainder to be distributed to members of the class. The Circuit Court in its discretion will decide whether to award attorney's fees that will be deducted from the withheld Premiums, and, if so, in what amount, which could be less than the amount requested. The Court has scheduled a hearing on the Petition for Attorneys' Fees on April 1, 2015 at 9:00 a.m. in the Circuit Court for the Seventh Judicial Circuit, 200 South 9th Street, Springfield, IL 62701.

**As a member of the class certified by the Court, you may exercise either (or none) of the following rights:**

A. On or before MARCH 11, 2015, you may complete, sign and send to Donald M. Craven, the representative liaison for the Class Counsel (the "Liaison Counsel"), in the manner indicated below, a statement in the form accompanying this notice electing to be excluded from the Class (an "Opt-Out Notice"). If you do not submit an Opt-Out Notice, you will remain a member of the Class and receive a Premium refund as ordered by the Court. If you do submit an Opt-Out Notice and thereby elect to be excluded from the Class, you are not guaranteed to receive any refund of your Premiums, Class Counsel will not represent you, and you may need to retain your own individual counsel and pay applicable court fees and legal fees to pursue any refund of your Premiums; OR

B. If you do not choose to opt out, you may send to the Liaison Counsel, on or before MARCH 11, 2015, in the manner indicated below, a written objection to the Fee Petition. If you submit such an objection, you may appear, by yourself or by counsel, at the April 1, 2015 hearing and request to be heard in person by the Court;

Any Opt-Out Notice (if you elect to opt out) or written objection to the Fee Petition must be sent by March 11, 2015, by e-mailing it to Liaison Counsel at [don@cravenlawoffice.com](mailto:don@cravenlawoffice.com) or sending it by First Class U.S. Mail to:

Donald M. Craven,  
1005 N. 7th Street  
Springfield, IL 62702

The Orders entered by the Court, the Petition for Attorneys' Fees and Expenses, supplemental materials filed by the attorneys related to that Petition, and certain other documents pertaining to this case are available on-line at [www.kanervahealthinsurancerefund.com](http://www.kanervahealthinsurancerefund.com). Copies of this Notice and of the Opt-Out Form are also available on the website of the retirement system of which you are a member.

You may also contact any of the following Class Counsel for further information:

Donald M. Craven  
1005 N. 7th Street  
Springfield, IL 62702  
217-544-1777  
[don@cravenlawoffice.com](mailto:don@cravenlawoffice.com)

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February 9, 2015